

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 15740
[REDACTED]	)	
Petitioner.	)	DECISION
	)	
	)	

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On May 22, 2001, the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (petitioner), proposing additional income tax, penalty, and interest for the taxable years 1998 and 1999 in the total amount of \$50,313. The petitioner filed a timely protest and petition for redetermination. The Commission, having reviewed the file, hereby issues its decision.

From March of 2000 through January of 2001, the Commission's Tax Discovery Bureau (TDB) made several attempts to contact the petitioner. According to TDB, the petitioner was doing business in Idaho as [Redacted] in 1998 and 1999. [Redacted] was a distributor of electric components specializing in hard to find components. [Redacted] had at least one business location within Idaho and stored inventory at that location. The petitioner has an Idaho withholding permit and sales permit; however, the petitioner did not file Idaho income tax returns for tax years 1998 and 1999.

On January 19, 2001, the petitioner's president responded by telephone at which time TDB verified the petitioner's current mailing address. From January of 2001 through May of 2001, TDB continued to request that the petitioner file its 1998 and 1999 Idaho income tax returns. Since the petitioner failed to file an Idaho income tax return for 1998 and 1999, TDB issued a NODD. In the NODD, TDB stated, "Net income for 1998 has been determined based upon the federal information available to the Tax Commission. The net income for 1999 has

been determined based upon the wage information record, and Idaho wages have been multiplied by two to arrive at net income.”

The petitioner filed a petition for redetermination on July 24, 2001, in which the petitioner stated:

I have contacted my accountant who is preparing our returns and to have them completed within 4 weeks. Based on our figures we believe the company did not make to much profit to pay these taxes. We just moved back to Idaho a few months ago and have not been able to locate our records. We are still looking and believe they may have been lost in the move.

From July of 2001 through the end of 2001, TDB continued to work with the petitioner in the hope that the petitioner would file its Idaho income tax returns. The petitioner sent in \$5,000 as a payment towards its income taxes; however, the petitioner did not file its 1998 and 1999 Idaho income tax returns as requested by TDB. Accordingly, the file was transferred to the Tax Commission Legal/Tax Policy Division in December of 2001 for resolution.

The petitioner was notified of its appeal rights and, as of the date of this decision, has not filed its Idaho income tax returns for tax years 1998 and 1999 or requested an informal hearing.

An NODD issued by the Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Comm'n, 110 Idaho 572 (Ct. App. 1986). Since the petitioner has failed to file its 1998 and 1999 Idaho income tax returns, the petitioner leaves the Commission with no alternative but to uphold the NODD issued on May 22, 2001, modified to reflect the petitioner’s \$5,000 payment.

WHEREFORE, the Notice of Deficiency Determination dated May 22, 2001, is hereby MODIFIED, in accordance with the provisions of this decision and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioner pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1998	\$6,781	1,695	2,108	\$10,584
1999	\$30,012	7,503	7,141	44,656
			Remittance	(5,000)
			TOTAL DUE	<u>\$50,240</u>

Interest is calculated through August 15, 2003, and will continue to accrue at the rate set forth in Idaho Code section 63-3045.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioner's right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2003.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

#### CERTIFICATE OF SERVICE

I hereby certify that on this \_\_\_\_ day of \_\_\_\_\_, 2003, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

[Redacted]  
\_\_\_\_\_